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BANDUNG FRAMEWORK FOR ASIA-AFRICA COOPERATION

Note by the Administrator

The Administrator of the United Nations Development Programme has the honour to circulate herewith a letter dated 7 April 1995, addressed to him by the Permanent Representatives of Indonesia and Japan to the United Nations, concerning the Bandung Framework for Asia-Africa Cooperation and its appendix, containing the text of the Framework.

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Annex

LETTER DATED 7 APRIL 1995 FROM THE PERMANENT REPRESENTATIVES OF INDONESIA AND JAPAN TO THE UNITED NATIONS ADDRESSED TO THE ADMINISTRATOR OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

We have the honour to transmit herewith the text of the Bandung Framework for Asia-Africa Cooperation adopted at the Asia-Africa Forum on 16 December 1994.

We would be grateful if you would have the present letter and its annex circulated as a document of the High-level Committee on the Review of Technical Cooperation among Developing Countries under the item entitled "New direction for technical cooperation among developing countries".

(Signed) Hisashi OWADA
Permanent Representative of Japan
to the United Nations

(Signed) Nugroho WISNUMURTI
Permanent Representative of the Republic
of Indonesia to the United Nations

Appendix

BANDUNG FRAMEWORK FOR ASIA-AFRICA COOPERATION:
WORKING TOGETHER TOWARDS THE 21ST CENTURY

Conclusions and recommendations of the Asia-Africa Forum
Bandung, 12-16 December 1994

The Asia-Africa Forum was held in Bandung, Indonesia from 12 to 16 December 1994. His Excellency President Soeharto of Indonesia marked the significance of the Forum by delivering the inaugural address. The Secretary-General of the United Nations sent a message of encouragement and support to the Forum. The Forum agreed that the inaugural address of President Soeharto and the message of the Secretary-General are official documents of the meeting.

The Forum was a follow-up to the Tokyo International Conference on African Development (TICAD) held in Tokyo from 5 to 6 October 1993 which addressed Africa's critical development issues and reached a consensus on the development priorities to be pursued. The Tokyo Declaration adopted by TICAD provided an opportunity to restating the commitment of the international community to support African development; more specifically it underscored the relevance to Africa of the development achievements in East and South-East Asia and called for increased South-South cooperation between Asia and Africa.

The Forum was co-organized by the Governments of Japan and Indonesia, the United Nations Secretariat, the United Nations Development Programme (UNDP) and the Global Coalition for Africa (GCA).

The participants at the Forum comprised of representatives from six Asian and thirty seven African countries, fourteen Asian and African institutions invited for the relevance of their development efforts and seven supporting UN and other international organizations. Brazil, France, Germany, the Netherlands and the United States attended the Forum as observers.

The Forum facilitated a direct dialogue and exchanges between senior Asian and African officials involved in development planning and management in institutions such as President and Prime Ministers Offices, Ministries of Planning, Economy, Finance and External Cooperation; and international and regional organizations concerned with development.

The Forum adopted a series of recommendations after substantive discussions on the following themes: promoting sustainable development in Africa: sharing of experiences; human resources and institutional development; enhancing productivity in the agricultural sector; financing development; and modalities of development cooperation between Asia and Africa.

1. Promoting sustainable development in Africa: sharing of experiences

Despite a large natural resources base and the adoption of a series of structural adjustment programmes, African economies are still characterized by low economic growth rates stemming mainly from internal and external imbalances, low productivity in agriculture, skills shortages, high population growth, education and health problems.

The Forum recognized that the transformation of African economies from crisis to sustainable development need to be based on a range of interventions across all economic and social sectors. Sustainable development which includes not only economic development but also social development and sustainability of environment must be a product of political commitment based on national consensus and must be inspired and led by a creative and dedicated national leadership. The Forum, therefore, recommended that development programmes be sustained by a strategy that accords priority to stability, development and equity. Based on these development objectives, there is the need to promote: 1) human resource development and institution building; 2) economic and social infrastructure development; 3) agricultural development with special emphasis on achieving food security; 4) restructuring the economy towards a balanced economy; and 5) social development.

The Forum reviewed and discussed the long-term policies and strategies that brought about high and sustained growth in Asian countries as identified by TICAD and noted in particular that, in most Asian countries export-oriented strategies contributed significantly to capital formation and productivity increases in agriculture, especially food production, as well as in other sectors. While recognizing that there was no single Asian model that could be replicated and that there was no development panacea, the Forum agreed, nevertheless, that development success requires considerable sacrifice, hard work, vision, pragmatic approach and reliance on internal sources of growth. In this respect, the Asian development experiences are very relevant. They also point out the need to strive for equity and reduce poverty while searching for growth and better resource management that makes it possible to raise the welfare of current generation without jeopardizing the quality of development resources to be inherited by future generations. In this context, the Forum recommended that:

- African countries should put into practice good governance including transparency, accountability, flexibility and pragmatism. It was emphasized that the new pattern of governance should be anchored in the traditions and values of the African peoples.

- Asian countries should make available to Africa their practical experiences on structural adjustment programmes which contributed to sustaining rapid economic growth and provide technical assistance to improve human development.

2. Special areas of focus

2.1. Human Resources and Institutional Development

Although there has been a phenomenal increase in African school enrolment since independence, the skilled manpower base remains narrow and the number of expatriates working throughout the African continent is now greater than in the 1960s. Moreover, the overall average number of years of schooling was equivalent to only one third of the South-East Asian level and forty one per cent of that of the developing countries as a whole. The ratio for women in sub-Saharan Africa was about half that for men (forty six per cent) and the gender gap had

in fact widened. In this regard, the Forum recommended that:

- Cooperation in Human Resource Development (HRD) should cover all social development including education, health, population policies;

- African countries should reinforce basic education and reorient educational policies and vocational training programmes to respond to changing needs and requirements of their respective economies and, in particular, to employment creation; it was pointed out that African countries should provide an enabling environment including appropriate system of empowerment and of incentives for better utilization of these human resources;

- Asian and African institutions should encourage networking to facilitate innovative activities in various fields. Participants in the networks should be drawn from governments, the private sector, academia and civil society, including NGOs in particular. The networks would be initiated from practical small size cooperation among interested countries which later could be expanded. They should take advantage of the latest development in communication technology in carrying out their activities;

- Asian and African institutions of higher learning and of HRD programme management should be encouraged to establish twinning arrangements that would be made operational through exchanges of publications, professors and students, joint curriculum development and joint research activities;

- The existing apprenticeship programmes among Asian and African countries should be further promoted and expanded.

2.2 Enhancing productivity in the Agricultural sector

The Forum urged African countries to adopt a rational long-term food security policy based on long-term dynamic growth in the food and agricultural sector; the promotion of genuine cottage agro-industries to increase the value-added in the sector; an improved income

distribution, primarily focusing on income generation and job creation; and security against famine, extreme food shortages and uncertain world food supplies and prices. It was also felt that in order not to perpetuate an excessive dependence of African countries on primary commodity production, improved agricultural productivity should also be seen as laying the foundation for the development of other sectors of the economy such as manufacturing and services in order to effect a genuine transformation of African economies. The following measures recommended by the Forum will raise agriculture productivity and help meet the rising domestic food needs in African countries.

- African countries should seek assistance from Asian countries in the development of appropriate strategies and policies that will contribute to the enhancement of agricultural productivity. Strategies may include ideas for the intensification of crops, livestock, fisheries and forestry production systems. Policies may include those related to land tenure, pricing, marketing channels and agri-business opportunities.

- African countries should intensify investments in agricultural research, extension and infrastructure and maintain appropriate exchange rates that provide incentives to agricultural producers;

- African countries and institutions should reinforce agricultural networks to facilitate exchange of experiences and research results within the region and with Asia and should expand short and medium-term training in irrigation, fertilizer application and agriculture extension in the light of Asia's experience;

- Asian countries and institutions should extend and expand to Africa vocational, and technical training in agriculture including through the apprenticeship programmes;

- Increased attention should be paid to the possible application in Africa of the Asian experience as it relates to improved techniques for the organization of production and the creative application of technology which have had such a significant impact in terms of increased productivity and competitiveness in these economies.

2.3 Financing Development

2.3.1 Mobilizing domestic and external resources

Although the primary responsibility for economic recovery and sustainable development rests with African countries themselves, there is a need to increase substantially financial flows to Africa, primarily because the structural adjustment and stabilization efforts embarked upon by these countries can only be effective in the medium to longer term. As the experience of the Asian countries has shown, simultaneous efforts towards increased domestic savings and the mobilization of external resources are crucial for development. Sustained economic growth can be achieved only when the average investment ratio reaches much higher percentage of GDP than the 17 per cent currently observed in Africa. However, Africa has ample opportunity for further mobilizing savings through better government policies and incentives and enhanced regional financial cooperation. In this context, the Forum recommended that:

- African countries should explore from the Asian experiences appropriate mechanisms for substantially increasing domestic private savings through such measures as attractive interest rates, innovative savings schemes, especially for the informal sector;

- African countries should also strengthen the efficiency of their tax collection systems to increase government revenues and reduce unnecessary public expenditures;

  African countries should foster the development of their financial institutions and capital markets with the ultimate aim of promoting private sector development and trade. They should also be encouraged to provide an enabling environment to foster financial flows including foreign direct investment (FDI);

- Africa's traditional development partners and new Asian donors should expand the scope of their financial assistance to African priority sectors such as human resource development, institution building, agriculture and rural development, environment, infrastructure and small scale industrial development.

2.3.2 Private Sector Development

In the Asian development process, the private sector has served as an important engine of growth. A common denominator in the development experience of Asian countries was that all governments were highly pragmatic and recognized the private sector as a main partner and, therefore, relied, to a large extent, on market mechanisms to guide public interventions. Partnership between the public and private sectors was a powerful factor in the success of the Asian development experience. In Africa, private entrepreneurship remains embryonic, although there exists a vibrant informal sector that could be expanded into a strong indigenous entrepreneurial class if a more conducive economic environment is created. In view of the foregoing, the Forum recommended that:

- African countries should design and vigourously pursue policies to promote private sector development;

- African Chambers of Commerce should initiate and develop contacts and establish joint business councils within the region and with those in Asia;

- Asian countries should provide policy advice and other technical assistance to African countries for private sector development.

2.3.3 Promoting Asian Investment in Africa

The Forum welcomed the recent changes in investment patterns for export manufacturing in South-East Asia. It recommended that:

- African countries should enhance their enabling environment including tax reforms and undertake aggressive investment promotion efforts through Asia-Africa networks and other channels;

- Asian and African countries should collaborate in investment promotion including trade and investment missions;

- Asian countries should increase their investment and explore joint venture opportunities in the manufacturing and other export sectors in Africa.

2.3.4 Trade Development

The use of exports by Asian countries as an engine of growth coupled with abundant human capital and foreign resource flows contributed significantly to setting the stage for Asia's rapid economic development. For this reason, African countries need export diversification and greater access to foreign markets in addition to strengthening their export capabilities. The Forum recommended that:

- African countries should explore new and innovative measures for export expansion in the light of the Asian experience;

- African countries should reorient their structural adjustment programmes in order to take into account their implications for neighboring countries in the region;

- Asian countries should provide technical assistance to African countries through the exchange of information, and research among others;

- Asian countries should take membership interest in African regional and sub-regional trade development institutions such as the African Export-Import Bank recently established to foster African trade;

- African countries should initiate, under the new World Trade Organization (WTO) regime, negotiations for improved access to markets of the more advanced developing countries in Asia and industrialized countries;

- African countries should continue their efforts for sub-regional and regional cooperation with the objective of enlarging markets and attracting private investment.

2.3.5 Managing the African debt crisis

The Forum noted that many African countries are burdened with high external debt and high debt service payments, many of them accumulating arrears. Reducing the debt burden to sustainable levels is becoming difficult within existing official debt reduction schemes.

Debt alleviation strategy should address the stock of various types of debt, as appropriate and taking into account the specific situation of each country with a view to ensuring sustainable debt service burden as well as the credit worthiness.

The Forum discussed ways and means by which to reduce the African debt burden while noting the conclusions reached by the Ministerial Meeting of Non-Aligned Countries on Debt and Development convened in Jakarta, Indonesia in August 1994. In this regard, African participants stressed the increasing burden of multilateral debt on debt service, which needs to be addressed in appropriate fora.

The Forum noted that to avoid jeopardizing the credit standing of both bilateral and multilateral financial institutions, a number of measures such as the use of reserves, the sale of gold, the new issue of SDRs, the conversion of debts into equity investments were to be considered.

The Forum also noted that debt reduction alone will not result in economic growth and development. Indebted countries will need to put sound economic policies to restore growth and external viability, in particular to restore macro-economic stability through fiscal and monetary discipline.

The Forum recommended that African countries should improve their debt management capabilities, including those to secure better information on external debt and its payment, and

employ sound economic policies, and that Asian countries should provide technical assistance to that effect.

3. Modalities of Development Cooperation between Asia and Africa

In the new context of market-oriented and export-oriented growth pursued by most Asian and African countries, development cooperation between the two regions could be enhanced in the areas of trade, investment, joint ventures, technology transfer, economic assistance and sharing of experiences.

Within the context of the overall cooperation between Africa and its development partners, the Forum recommended that Asian and African countries should strengthen development cooperation programmes. The international community should also play a significant role through its financial assistance and technical cooperation in support of Asian and African initiatives for inter-regional, regional and sub-regional arrangements. External financing for regional infrastructure projects could also complement other efforts to strengthen South-South cooperation.

3.1. Expanding South-South Cooperation

The Forum noted that Asian and African countries are already engaged in various cooperation activities. Several Asian countries have organized skills transfer workshops and training programmes for African participants in such areas as mini-hydropower, solar energy, rice research, drought management, food security, agricultural extension and selected industrial sectors. Many African countries have benefitted from such assistance. In view of the enormous needs of African countries, the Forum:

- Encouraged the countries concerned to take advantage of the support given by multilateral institutions including in particular the support of the UNDP Special Unit for TCDC in carrying out their various cooperation programmes;

- Urged the international community to engage in trilateral cooperation schemes such as provided by Japan, where donors would finance, for the benefit of African recipients, the technical cooperation provided by Asian countries;

- Called upon participating countries to establish joint arrangements based on their own need assessment; and

- Requested the international community to augment resource commitments and to give a renewed impulse to Asian-African cooperation;

3.2. Asian-African networks

Asian-African cooperation can also be enhanced through the creation of networks. Given the importance of the exchange of experience and of know-how in the development cooperation endeavour, networks can serve as effective follow-up mechanisms for facilitating collaborative activities in various fields. Moreover, development in communication technology and computerization have substantially increased the importance of networking. The Forum called for the creation of Asian-African networks that will provide information on available capacities and existing possibilities, emphasizing that the networking would be more efficient if built between Asian and African countries through informal contacts, meetings and workshops. It particularly recommended that the following networks be established:

- *Macroeconomic network*

The network will aim to make existing knowledge available to participating countries and to provide a forum for interaction. It will help harmonize macroeconomic policies, facilitate the exchange of information and experiences, and assist in organizing seminars, workshops and study tours.

Human resources development network

HRD programme management institutions, training organizations, research centers and universities would be linked together in order to promote increased exchanges of experience and information.

Trade and investment network

The private sectors of Asia and Africa may profitably be linked together through regional and national Chambers of Commerce, joint business and economic councils, and fair exhibitions.

Agricultural development network

An agricultural development network will facilitate an exchange of experiences and knowledge for the mutual benefits of Asian and African countries.

Research network

A research network will facilitate an exchange of information in the areas of scientific research and technological development. As technology becomes more and more complex, networking with science and technology institutions in Asia will greatly assist African countries.

3.3. Following-up and Monitoring Asian-African Development Cooperation

The Forum urged the participants to designate an institution or institutions to follow up and monitor developments in respect of Asian-African cooperation and recommended the following:

- Establishing official and/or private channels of communication between participating countries in order to identify mutual interests in the exchange of experiences and knowledge in such areas as investment, trade and technical cooperation;

- Initiating measures aimed at mobilizing resources for increased Asian and African cooperation;

- Requesting the Government of Japan to continue to be a facilitator of the Forum in collaboration with the participating governments and international organizations such as the United Nations Secretariat, the United Nations Development Programme and the Global Coalition for Africa;

- Convening on a regular basis - every two years in principle, - and at the senior official level, similar meetings to maintain the momentum in development cooperation between the two regions, while sectoral, thematic or sub-regional workshops may be convened as deemed necessary.